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UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

HUGHES, HOOKER & CO. AND HUGHES, HOOKER (CORRESPONDENTS) S.A.,

Plaintiffs,

-against-

04 CV 1859 (SHS)(GWG)

AMERICAN STEAMSHIP OWNERS MUTUAL PROTECTION AND INDEMNITY ASSOCIATION, INC., SHIPOWNERS CLAIMS BUREAU, JOSEPH E. M. HUGHES, THOMAS J. MCGOWAN, AND VINCENT J. SOLARINO,

**AFFIRMATION OF** JAMES M. MALONEY IN SUPPORT OF ORDER TO SHOW CAUSE

Defendants. -----X

James M. Maloney, an attorney at law admitted to practice before this Court, affirms the following under penalty of perjury:

- 1. This action was begun by filing a complaint with this Court on March 8, 2004, and, following this Court's Order of November 17, 2004, was continued in the names of the current Plaintiffs by the filing of an amended complaint on December 17, 2004.
- 2. On motion by Defendants, the action was stayed pending arbitration, by this Court's Opinion and Order of June 9, 2005 ("Stay Order"), a true copy of which is attached as Exhibit 1 to the Declaration of Jacek Bielecki submitted herewith ("Bielecki Dec.").

- 3. In the Stay Order, this Court expressly and unambiguously denied Defendant's application for costs, attorneys' fees, and sanctions in this matter up to the date of the Stay Order. However, as detailed in the Bielecki Dec., Defendants have now asserted a counterclaim in the ongoing English arbitration, which arises out of the same transactions or occurrences as this case, including, as an element of said counterclaim, a claim for \$59,950.79 in fees and expenses for the same New York litigation before this Court for which such relief was expressly denied.
- 4. Plaintiffs accordingly move for entry of partial final judgment pursuant to Rule 54(b) of the Federal Rules of Civil Procedure of that part of the Stay Order that denied the imposition of costs and/or attorney's fees against Plaintiffs and in favor of Defendants for their defense of this case up to that date. Plaintiffs additionally seek attorneys' fees on this application, which is brought on by Order to Show Cause because Defendants have obtained an injunction freezing Plaintiffs' assets to secure said counterclaim, and because without prompt entry of judgment the English arbitrator may award Defendants costs and/or attorney's fees of \$59,950.79 for the same New York litigation before this Court for which such relief was expressly denied by this Court in the Stay Order. There is no just reason for delay in entering said partial judgment.
  - 5. No prior request has been made for the relief requested herein.

WHEREFORE, for the foregoing reasons and those set forth in the accompanying Declaration of Jacek Bielecki and Memorandum of Law, the Plaintiffs respectfully request that this Court:

- enter partial final judgment on behalf of the Plaintiffs denying (1) costs and fees to Defendants;
- (2) award Plaintiffs reasonable attorney's fees incurred in making this application; and
- grant such other, further, and different relief as this Court may (3) deem just and proper.

Dated:

March 28, 2006

Port Washington, NY 11050

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